(b) The export earnings from tea during the last three years are as follows:—

Rs. in crores

Year	Export Earnings
1984-85	771.39
1985-86	674.25
1986-87	615 00

Demand notices issued to M/s. Voltas Ltd by the excise department

*347. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) what is the number of demand notices issued by the Central Excise Department to M/s. Voltas Ltd and the amount of excise duty involved therein, and

(b) how much of the evaded excise duty has been paid and by when the balance is likely to be paid by M/s. Voltas Ltd. after the excise raid and apology tendered by the Company?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K GADHVI): (a) and (b) 64 show cause notices have been issued to M/s Voltas Ltd demanding central excise duty to the tune of Rs. 20 02 crores approximately.

Out of the above, 2 show-cause notices involving duty of Rs 7 75 crores have been issued on account of searches conducted by the Department for evasion of central excise duty. These cases are under process of adjudication No apology has been tendered by the company

An amount of Rs. 1 59 crores in 9 cases has been realised so far.

Recommendation of the Chelliah Committee

*348. SHRI KALPNATH RAI: Will the Minister of FINANCE be pleased to state:

(a) what are the recommendations of Chelliah Committee regarding expenditure tax, and

(b) whether these recommendations have been examined by Government and any decision taken thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) The Study Group on Taxation of Expenditure under the Chairmanship of Dr. Chelliah in their final Report submitted to the Government in April, 1987, came to the conclusion that total replacement of income tax by expenditure tax would not be a practical proposition However, to make the direct tax system more progressive and equitabe, the Group has suggested that some concepts of expenditure tax be incorporated into the present income tax structure

2. In the light of this, the substance of the recommendations of the Study Group is briefly as under:

(i) The scheme of incentives should be such that it encourages and rewards only net savings as far as possible, that is, if investment or saving is exempt, the disinvestment or withdrawal be brought under charge.

(ii) If deduction is allowed for making an investment, the income from same investment should not also be exempt.

(iii) While there is some justification for diverting savings to the public sector on grounds of priority, savings flowing into private sector should be extended concessional treatment to a greater extent than now so that there is a greater competition and a higher degree of efficiency.